

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** March 7, 2007  
**POSITION:** Oppose  
**SPONSOR:** Author

**BILL NUMBER:** SB 1  
**AUTHOR:** G. Cedillo

### **BILL SUMMARY:** Office of Immigrant Affairs

This bill would establish an Office of Immigrant Affairs (OIA) within the Department of Community Services and Development (DCSD) that would administer the Naturalization Services Program (NSP) and ensure the integration and civic participation of new citizens in California.

### **FISCAL SUMMARY**

The NSP has been funded at various levels in eight of the nine fiscal years from 1998-99 to 2006-07, and the Governor's Budget proposes to continue funding at \$3 million General Fund for 2007-08. It is estimated that the DCSD would need a significant increase in funding to accomplish the activities specified in this bill. Funding for this program peaked at \$7 million General Fund in 1999-00.

The DCSD has traditionally been allocated 5 percent of total NSP funding for administrative costs. This bill would necessitate a significantly higher allotment for state operations by requiring the DCSD to establish an OIA and adding components to the NSP. For the DCSD to execute the provisions of this bill at the state level, we estimate 4.0 additional positions and approximately \$440,000 General Fund would be needed annually. Additionally, the local assistance resources that would be required to implement the program required by this bill statewide and to maintain the program's administrative costs at a reasonable level are indeterminate, but likely to be several millions of dollars in General Fund annually.

### **COMMENTS**

The Department of Finance opposes this bill for the following reasons:

- This bill would result in several millions of dollars in General Fund costs annually.
- By requiring activities to be performed that are not essential to the process of naturalization, such as efforts to improve post-naturalization integration and to increase civic participation, this bill could result in unusually high administrative costs and reduce the number of individuals who could be served within a given funding level.
- A number of the provisions in this bill could overlap with services already provided by the State Department of Education (SDE).

Analyst/Principal (0532) N. Buchen	Date	Program Budget Manager Michael Wilkening	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

<b>BILL ANALYSIS</b>	Form DF-43 (Rev 03/95 Buff)
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**ANALYSIS****A. Programmatic Analysis**

**Current Law:** Authorization for the NSP was codified by Chapter 75, Statutes of 2006 (AB 1808). The NSP provides community-based citizenship training services to immigrants throughout the state. Services include outreach, intake and assessment, citizenship application assistance, citizenship testing and interview preparation, and coordination and referral to other naturalization services. The DCSD uses NSP funding to contract with individual local organizations who, in turn, conduct these activities. With the exception of 2003-04, the program has received funding every year since 1998-99, peaking at \$7 million General Fund in 1999-00. The NSP received \$1.5 million General Fund in 2004-05 and 2005-06, received \$3 million in 2006-07, and \$3 million is included for this program in the 2007-08 Governor's Budget.

**This Bill** would establish the OIA within the DCSD that would administer the NSP and ensure the integration and civic participation of new citizens in the state.

Specifically, this bill would require the OIA to ensure eligible immigrants obtain naturalization information to address the needs of immigrant communities by setting objectives and deliverables, and to partner with state government agencies to provide outreach and services to ethnic communities. The OIA would be directed to identify appropriate resources to assist immigrant residents with activities related to adult education, language skills, civics, job training, consumer protection, housing, domestic violence, health, and naturalization services. This bill would require the OIA to work with educational institutions, community-based organizations, nonprofits, and private programs to collect and disseminate a civics curriculum for people participating in the NSP.

This bill would require the OIA to conduct data-driven analyses on immigrant issues and make state and federal level policy recommendations to the Legislature and the Governor. Additionally, the OIA would be required to develop strategies and proposals to help new citizens become self-sufficient, participate in governance, and feel a sense of belonging in the community. This bill would require the dissemination of information that helps new citizens learn English, be informed of laws, be responsible family members, and attain a high quality of life.

This bill would require the Director of DCSD to appoint a director to oversee and manage the OIA. The OIA director would be required to administer the NSP and develop a program plan to add components to the NSP to allow it to cater to the needs of California's immigrant population more efficiently and effectively in the areas of naturalization and civic participation. In addition, the director would be required to create a strategy to promote public awareness of the contributions of immigrants in the community.

This bill would allow the OIA to enter into partnerships, cooperative agreements, or contracts with nonprofit organizations to serve as liaisons between the OIA and immigrant communities. If established, the liaisons would gather information and conduct stakeholder meetings to identify the needs of California's immigrant population, determine key state governmental resources used by immigrant communities, identify key policy areas and areas of concern, and report findings with recommendations to the state. The liaisons would be charged with identifying ways to define, measure, and report immigrant integration. The liaisons also would be directed to identify ways to improve the naturalization process and immigration services. Nonprofit organizations serving as

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liaisons could seek reimbursement from the OIA under this bill, contingent upon approval by the director and availability of funding. This bill also would allow the OIA to accept donations from private organizations.

Lastly, this bill would require the OIA to submit to the legislature, every other year, a state plan identifying activities the office will undertake to meet the goals of this measure. The Legislature would conduct one or more public hearings on each submitted state plan, and the OIA would be required to adjust the state plan as a result of public comments at the hearings and written comments submitted to the office.

**Discussion:** The NSP was codified by AB 1808. The program established by AB 1808 is subject to appropriation and provides funding to community-based organizations to assist legal permanent residents in obtaining citizenship.

This bill would establish the OIA and prescribe requirements for assisting immigrant residents. While the requirements of this bill would clarify legislative intent and program guidelines, establishing an OIA would expand the scope of the NSP, going beyond the basic services necessary for naturalization. For example, post-naturalization integration and civic participation requirements would generate a higher percentage of administrative costs and could reduce funding available for local assistance. Further, if the program were to receive reduced funding in a particular budget cycle, either the infrastructure required by this bill could be seriously compromised or the OIA/NSP could become administratively top-heavy. Lastly, provisions in this bill related to English literacy, civics education, and adult education are examples of activities that could overlap with services already provided by the SDE.

#### B. Fiscal Analysis

The NSP has been funded at various levels in eight of the nine fiscal years from 1998-99 to 2006-07, and the Governor's Budget proposes to continue funding for 2007-08. It is estimated that DCSD would need a significant increase in funding to accomplish the activities specified in this bill. The 2007-08 Governor's Budget includes \$3 million for the NSP, which is 100 percent General Fund. Funding for this program peaked at \$7 million General Fund in 1999-00.

The DCSD traditionally has been allocated 5 percent of total NSP funding for administrative costs. This bill could necessitate a significantly higher allotment for state operations by requiring the DCSD to establish an OIA and adding components to the NSP. For the DCSD to execute the provisions of this bill at the state level, we estimate 4.0 additional positions and approximately \$440,000 General Fund would be needed annually. Of the \$3 million General Fund included in the 2007-08 Governor's Budget for the NSP, \$150,000 is for administration and \$2.9 million is for local assistance. The local assistance resources that would be required to implement the program required by this bill are indeterminate, but the bill would require the OIA to work with local organizations to ensure the success and availability of NSP services and would authorize reimbursement to them depending on the availability of funding. At a minimum, this would create a significant General Fund pressure. For illustrative purposes, if the program was funded using the existing ratio between administrative and non-administrative costs, this bill would result in annual local assistance costs of \$8.8 million General Fund. While this bill provides that donations may be accepted from individuals and private organizations to implement its provisions, it is unclear whether significant donations would be forthcoming.

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009	Code
4700/Dept Comm Sv	SO	No		--	C	\$220	C	\$440	0001
4700/Dept Comm Sv	LA	No		-----	See Fiscal Analysis	-----			0001